

*Council on Technology Services
Seat Management Workgroup
July 9, 1999 Meeting Minutes*

Members present

Pete Kolakowski called the meeting of the Seat Management Workgroup to order at 10:08 a.m., welcoming everyone and thanking Chip German for arranging for lunch to be provided. Chip could not be present, but George Williams joined in his place. Pete also introduced Linda Smithson from Department of Corrections.

The Workgroup reviewed the July agenda and June 10 minutes, which were approved as presented.

George Williams, Project Director for UVA's Desktop Computing Initiative (DCI), presented an update on the progress of the project. Some points George brought up include:

- Some of the issues UVA had to face with DCI include lack of total cost of ownership (TCO) figures, a diversity of platforms, diversity of users and applications, and multiple funding sources. UVA hopes to use DCI to standardize certain areas of desktop computing while honoring the fact that institutions of higher learning have a wide range of specialized needs.
- University Departments are encouraged to participate, but it is not mandatory. UVA hopes to offer DCI computers to students through the University shop, Cavalier Computers. Cavalier Computers will also have some on-site parts and "hot" spares.
- The DCI program markets a total package of hardware, software, and services. The monthly fee includes pre-configuration and software loading, delivery, installation, user orientation, and the removal of old computers. Data migration and customized training are optional services.
- UVA had three objectives when they envisioned DCI: upgrade and standardize desktop technology, regularize the budgeting process and replacement cycle, and enable support staff to focus on higher value support and spend less time on "generics" and troubleshooting.
- Through DCI there will be two platforms (Wintel and Apple), two systems (desktop and notebook), and two configurations (standard and high performance).
- Currently UVA is in the vendor selection process.
- Lessons learned include getting central and local support staff involved, getting management buy-in and support in the early stages, and "embracing evolution," or adapting to change.

The Workgroup then heard a presentation from Gary Halstead of Dell Computer, who co-presented with David Lynn of Dell Financial Services on speakerphone. Highlights from the presentation include:

- Dell packages a wide variety of services into a leasing program similar to Seat Management because of its single-vendor accountability, flexibility, and ability to customize services.

- Dell does not use many third parties or resellers; they typically act as manufacturer, supplier, servicer, and financier. The advantage to this strategy is shorter cycles – less paperwork and administration. Dell feels this direct models provides a lower cost.
- Dell Financial Services was founded April 14, 1997, and had over 31,000 contracts in the first 12 months. By the first 15 months it had its first billion dollars in financing.
- Dell Financial Services provides three canned offerings: true lease, rotation/refresh, and lease/purchase.
- True lease offers low payments, a flexible term, and the possibility of technology refreshment at the end of the term. With rotation/refresh, customers pay refresh prices over the term of the contract, but the customer pays a premium. Lease/purchase is similar to financing; the customer owns the equipment at the end of the term.
- Services Dell offers include software image loading, hardware integration, installation, data transfer, printer installation/deinstallation, system upgrade testing, ongoing support (the three-year on-site service agreement is a four-hour break/fix agreement), asset tagging and labeling, custom packing and shipping, system customization, asset reporting, refreshment, and asset recovery/disposal. Dell offers Web services and support and customers can verify Year 2000 compliance and readiness for Microsoft Windows 2000 on their machines through the Web.
- Dell's offerings are à la carte; customers can choose any or all of the services.
- Dell is a ten-time winner of the *PC Magazine* Customer Satisfaction Award, with 85 percent of incidents resolved remotely.
- Dell's current state contracts are with Pennsylvania, Massachusetts, South Carolina, Florida, Texas, Oregon, and California.

Tom Bradshaw asked how Dell handles multiple loadsets. Loadsets are numbered so when customers order equipment they can specify the loadset needed. Tom also asked if Dell carries any other PC brands besides their own; Gary said that Dell provides only its own computers, but if necessary they could subcontract.

The Workgroup then heard from Mark Mose of Gateway Business and Bob Crigler and Chris Hodge of Megabyte Business Systems, Inc. (MBS). Gateway is the only major computer manufacturer with a Virginia location, and Megabyte, located in Ashland, implements Gateway's seat management services. Highlights from the presentation include:

- Customers choose seat management solutions with two objectives in mind: economic (to reduce total IT costs) and technical (to enable staff to focus on the agency's mission). Effective seat management can accomplish those objectives.
- Important factors when procuring for seat management include incentives for both the customer and the vendor, organizational buy-in, agency standardization, using economies of scale, and considering upgrade *packages* to enhance performance while reducing costs. Also, follow the KIS (Keep It Simple) theory; don't introduce too many variables.
- Cultural changes occur when implementing seat management. Pete acknowledged the loss of control is a large cultural change, especially where it concerns users not being able to load their own software. He said it is a challenge to convince people that the PC should be like a telephone

or pencil – a tool people use to do their job – rather than some new thing to marvel over.

- Another change that occurs with seat management is a shift in human resources. Staff are realigned to higher-level areas. The agency also needs to supply a single point-of-contact with the vendor who has the authority to get things moving.
- Everyone's (all agency and vendor participants') responsibilities must be clearly defined to avoid overlapping jobs and ensure the refocus of staff.
- In summary, the five elements to a good seat management program are: the KIS theory, standardization, using economies of scale, making cultural and organizational changes, and clearly defining the roles and responsibilities of everyone.

Dan Gayk asked how a seat management player can reconcile KIS with clearly defining roles and responsibilities and cited the overlapping that VDOT is experiencing with the transition to Halifax machines. Bob Crigler answered that there will always be overlapping during a transition period – it is unavoidable – but simplicity should be the end result. Pete acknowledged that although transitioning is by nature complex, starting out by using the KIS theory helps make transitioning smoother – the more complex the initial agreement, the more complex the transition will be.

Tom Bradshaw also commented on the difficulty of standardization with all the upgrades a system must go through. Mark Mose said a huge advantage to Gateway is its support; the manufacturer will reload the image as technology changes.

The Workgroup took lunch at 11:50 a.m., and resumed the meeting at 12:30 p.m., with only Workgroup members and staff present to discuss the latest draft of the report. Pete distributed a handout of tentative Conclusions and Recommendations for discussion and the Workgroup worked to refine and organize them.

The Workgroup then discussed its timetable; during the August meeting the group should finalize its comments on the draft and should have a final draft ready for the September meeting [a copy of the draft report is located on the [COTS Publications web page](#). The next meeting will be held August 13 at the VDOT annex building at 1:00 p.m.

With no further business to discuss, the meeting adjourned at 2:02 p.m.

Members present:

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Bob Crigler	MBS	(804) 550-0660
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Dan Gayk	VDOT	(804) 786-7265

Betty Greene	GTSI	(703) 502-2626
Gary Halstead	Dell	(804) 752-7714
Jill Hartzell	Dept. of Corrections	(804) 674-3176
Chris Hodge	MBS	(804) 550-0660
Jim Hughes	Unisys	(804) 967-7319
Pete Kolakowski, Chair	VDOT	(804) 786-9950
Steven Lewis	Computer Associates	(703) 706-3431
Mark Mose	Gateway Business	(888) 342-5889
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Andy Poarch	DIT	(804) 371-5549
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